



SENATE BILL 145: Southern Shores Canal Dredging/Maintenance

2011-2012 General Assembly

Committee: Senate Finance
Introduced by: Sen. White
Analysis of: First Edition

Date: March 22, 2011
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SUMMARY: *Senate Bill 145 is a local act that would allow the Town of Southern Shores to impose a canal dredging and maintenance fee and to assess for navigation projects. The bill received a favorable report from the Senate State and Local Government Committee on March 8, 2011.*

BILL ANALYSIS: The General Assembly authorized the Town of Ocean Isle Beach to create a fee-supported canal dredging district in 2004¹, and it granted similar authority to the Towns of Emerald Isle and Holden Beach in 2005.² Sections 1 and 2 of this bill would allow the Town of Southern Shores to impose a canal dredging and maintenance fee. Specifically, the bill would allow the Town of Southern Shores to do the following:

- Create a fee-supported canal dredging and maintenance district for all properties that are contiguous to a canal within its corporate limits.
- Impose annual fees for the dredging and maintenance of canals, both natural and concrete, on or before July 1 of each year. The fees may not exceed the cost of providing for the dredging and maintenance of the canals. The fees must be imposed on owners that could or do benefit from water access through the canal system within the municipality's corporate limits. The fees may be imposed on the property tax bill and collected in the same manner as ad valorem taxes.
- Abolish the district whenever there is no longer a need for it.
- Establish a capital reserve fund. If a capital reserve fund is established to build up funds to provide the service, the Town may delay providing the service until sufficient funds have accumulated (but not for longer than five years).

G.S. 160A-238 allows a city to make special assessments for beach erosion control or flood and hurricane protection. In 1985, the General Assembly authorized the Town of Sunset Beach to impose an assessment for navigation projects³ as well. Section 3 would extend the authority to impose a special assessment for navigation projects to the Town of Southern Shores. To impose a special assessment, the Town would need to follow the procedures set forth in Article 10 of Chapter 160A: it must adopt a preliminary resolution, hold a public hearing, adopt an assessment resolution, determine the total costs of the project, prepare a preliminary assessment roll, hold a public hearing, and affirm the assessment roll.

EFFECTIVE DATE: This act is effective when it becomes law.

Brad Krehely, counsel to the Senate State and Local Government Committee, substantially contributed to this summary.

S145-SMRB-22(e1) v1

¹ S.L. 2004-104.

² S.L. 2005-47 and S.L. 2005-90.

³ The term would include dredging and bulkheading canals. S.L. 1985-725.